

TARIFF ACTION MEMORANDUM**File: TA51-733**

Date: April 6, 2023
Date TA Filed: February 27, 2023
45 Days ends: April 13, 2023

Name of Utility: Cook Inlet Natural Gas Storage Alaska, LLC.

Subject: Removal of CLUS-3 2019 Workover Maintenance Surcharge Filing

Staff Recommendations:

The Commission should:

1. Approve Tariff Sheet No. 90, filed by Cook Inlet Natural Gas Storage Alaska, LLC on February 27, 2023, Tariff Sheet No. 90 should be approved with an effective date of April 13, 2023.

Reasons for the above indicated recommendation: See attached memorandum.

Signed: _____

John White
John White

Title: Utility Financial Analyst

Commission decision regarding this recommendation:

	DATE (If different from 04/06/2023)	I CONCUR	I DO NOT CONCUR	I WILL WRITE A DISSENTING STATEMENT*
Kurber II	_____	<i>KKI</i> _____	_____	_____
Doyle	_____	<i>BD</i> BD _____	_____	_____
Pickett	_____	<i>BP</i> BP _____	_____	_____
Sullivan	_____	<i>BP</i> BP _____ for DS	_____	_____
Wilson	_____	<i>JWW</i> JWW _____	_____	_____

Special Instructions to Staff: _____

*If this column is initialed, Staff will contact the Commissioner for the statement. Otherwise, the dissent will simply be noted at the close of the By Direction Letter Order.

Memorandum

To: Keith Kurber II, Chairman
Robert Doyle
Robert M. Pickett
Daniel Sullivan
Janis W. Wilson

Date: April 6, 2023

File: TA51-733

From: John White
Utility Financial Analyst

Subject: Cook Inlet Gas Storage Alaska, LLC's
Removal of CLUS-3 2019 Workover
Maintenance Surcharge Filing

RECOMMENDATIONS

The Commission should:

1. Approve Tariff Sheet No. 90, filed by Cook Inlet Natural Gas Storage Alaska, LLC on February 27, 2023, Tariff Sheet No. 90 should be approved with an effective date of April 13, 2023.

BACKGROUND

In Order U-18-043(15), the Commission ordered CINGSA to create and implement a surcharge for well maintenance activities which require a drill rig.¹ In addition, the Commission articulated it would approve the establishment of a tariff surcharge mechanism to allow CINGSA to recover actual, prudently-incurred well maintenance expenses associated with work that requires a drill rig.² The Commission required CINGSA to file a proposed well maintenance surcharge mechanism as a tariff advice filing by October 31, 2019.³

As required by Order U-18-043(15),⁴ on October 31, 2019, Cook Inlet Natural Gas Storage Alaska, LLC (CINGSA) filed TA35-733 requesting Regulatory Commission of Alaska (Commission) approval of a Well Maintenance Surcharge Mechanism (Surcharge). On December 6, 2019, the Commission approved Tariff Sheet Nos. 1, 75, 76, 85, 86, 88, 89, and 90, filed October 31, 2019,

¹ Order U-18-043(15), pages 59-60, beginning at line 17, page 59.

² Id. at page 60.

³ Id. at page 63.

⁴ Order U-18-043(15), Order Resolving Revenue Requirement and Cost-of-Service Issues and Requiring Filings, dated August 16, 2019 (Order U-18-043(15)), as corrected by Errata Notice to Order U-18-043(15), dated August 26, 2019.

and Tariff Sheet No. 87, filed on December 6, 2019, by CINGSA with TA35-733, with an effective date of December 16, 2019.⁵

On January 17, 2020, CINGSA filed TA36-733, which contained CINGSA's first Well Maintenance Surcharge Filing charge to recover well maintenance costs for Cannery Loop Unit storage well 3 (CLUS-3). In TA36-733 CINGSA proposed a surcharge for Firm Storage Service (FSS) customers of \$0.0961 per Mcf applied to Contracted Withdrawal Quantity (CWQ), and \$0.0013 per Mcf applied to Maximum Storage Quantity (MSQ). CINGSA also proposed a surcharge for Interruptible Storage Service (ISS) customers of \$0.0045 per Mcf applied to the maximum storage quantity of gas stored per month. On February 26, 2020, the Commission approved Tariff Sheet 90, filed in TA36-733.⁶

NOTICE

TA51-733 was noticed to the public on March 2, 2023, with comments due by March 31, 2023.⁷ The Commission did not receive any comments.

FILING

On February 27, 2023, CINGSA filed TA51-733 proposing to remove the surcharge for CLUS-3, as the amount authorized for recovery has been fully recovered from CINGSA's customers as of January 2023 billing.⁸ TA51-733 included a Tariff Advice Letter, and Tariff Sheet No. 90.

DISCUSSION

On January 17, 2020, CINGSA filed TA36-733, which contained CINGSA's first Well Maintenance Surcharge Filing to recover \$1,037,514 of well maintenance costs for CLUS-3. In TA36-733 CINGSA proposed a surcharge for FSS customers of \$0.0961 per Mcf applied CWQ, and \$0.0013 per Mcf applied to MSQ. CINGSA also proposed a surcharge for ISS customers of \$0.0045 per Mcf applied to the MSQ of gas stored per month. CINGSA proposed to recover the \$1,037,514 in costs, via the proposed surcharges over a 36-month amortization period.

⁵ See LO# L1900454, dated December 11, 2019

⁶ See LO# L2000069, dated February 26, 2020.

⁷ CINGSA requested the Commission waive newspaper published public notice. The request was granted, see TR2300893, dated February 28, 2023.

⁸ TA51-733, TA Letter at pg.1.

In TA51-733 CINGSA is seeking to remove the surcharge for CLUS-3 as the amount authorized for recovery has been recovered as of CINGSA's billing for January 2023. Staff recommends the Commission approve Tariff Sheet 90 as filed in TA51-733.

TARIFF SHEETS

CINGSA filed Tariff Sheet No. 90, with an effective date of April 13, 2023. Staff reviewed the tariff sheet and recommends the Commission Approve Tariff Sheet No. 90, filed by Cook Inlet Natural Gas Storage Alaska, LLC on February 27, 2023, with an effective date of April 13, 2023.

Signature: Keith Kurber II
Keith Kurber II (Apr 6, 2023 10:35 AKDT)

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